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May 29, 2003

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Executive Director

The Honorable Darrell Steinberg
California State Assembly
State Capitol, Room 2114
Sacramento, CA 95814

RE: SUPPORT FOR ASSEMBLY BILL 1426

Dear Assemblyman Steinberg:

The Little Hoover Commission supports the concept of AB 1426, the measure you have authored that seeks to increase the production of affordable housing for low-wage workers. The Commission supports this measure based on findings and recommendations in its May 2002 report, *Rebuilding the Dream: Solving California's Affordable Housing Crisis*.

In its report, the Commission explored how public policies could be reformed to fortify the State's ability to provide an adequate supply of affordable housing for the growing number of young families, newcomers, seniors and other Californians with low incomes. It found that the State's housing law, which requires cities and counties to plan for long-range housing needs, has failed to ensure that the goals for affordable housing are met. The law contains no enforcement mechanism. Although it requires local governments to plan for affordable housing, it does not require that units actually be built.

The Commission recommended that the focus of the housing element law be expanded from planning to performance. AB 1426 addresses the Commission's recommendation in concept by requiring each city and county in the pilot program region to meet an affordable housing production standard.

The Commission also recommended the state link future funding sources – such as transportation funds and proceeds from park or other bond measures – to a community's progress toward meeting its housing goals. Your measure addresses this recommendation by providing an incentive to cities and counties that meet the production standard to receive infrastructure bond funds.

For these reasons, the Little Hoover Commission is taking an active support position on AB 1426. As the bill moves through the committee process, I will be writing letters on behalf of the Commission to legislators urging aye votes. If you feel my presence and testimony at a hearing would be helpful, please let me know, and I will make every attempt to be available.

If you have any questions or if I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

James P. Mayer
Executive Director

c: All Commissioners